3 TSX Stocks Set to Hike Dividends in 2021

Description

In 2021, there'll be no shortages of dividend increases on the TSX. Despite the recession this year, Canada's biggest companies seem set on keeping the dividends flowing in the next. The following are three TSX companies that have already announced dividend increases in the year ahead.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is an energy stock that had a fairly tough year in 2020. Like most energy companies, it struggled due to lower demand for oil amid the COVID-19 pandemic. In the first quarter, it ran a large $1.4 billion loss. That was mostly due to non-cash factors like derivative losses. Without that in the equation, it had a $1.6 billion profit. In the second quarter, earnings were down slightly; in the third quarter, they were up slightly.

Overall, this year has been a bit of a wash for Enbridge. But it hasn't done nearly as bad as other energy companies. It recently announced a 3% dividend hike. That dividend will be paid on March 1 if you own the stock by February 12.

Dollarama

Dollarama (TSX:DOL) is a retail stock that has performed very well amid COVID-19. In its most recent quarter, it grew sales by 12.3%, same-store sales by 7.1%, and net income by 18.2%. These are all solid earnings metrics in the COVID-19 era. The company also reported solid revenue gains in the earlier months of the pandemic, but earnings dipped because of pandemic pay and other COVID-19 expenses.

Dollarama announced a 6.8% dividend hike in its third-quarter earnings report. The dividend will be paid out on February 5, and you'll need to own the stock by January 8 to get it.

Canadian Tire

Canadian Tire (TSX:CTC.A) is another Canadian stock that will be hiking its dividend next year. This company had a wild down and up ride amid the COVID-19 pandemic. The first quarter during the pandemic saw it lose money, thanks to lower gas sales and restrictions on shopping. The company turned it around in a big way in the third quarter, though. In that quarter, Canadian Tire reported an 18% increase in same store sales and a 42% increase in normalized EPS.

That was driven in no small part by e-commerce sales, which grew by 180% year over year. Consumers took to the internet to do shopping that they couldn't do in store, and that helped Canadian Tire's bottom line.

On the strength of its recent results, Canadian Tire hiked its dividend by 3.3%. That's not a massive dividend hike, but it's something. The company's stock has been on a tear since March, rising 132%. So, even with the coming dividend hike, you could have gotten a higher yield on the stock early this year than you will next year. Nevertheless, CTC.A's dividend increase shows the company's confidence in its future growth and prosperity. It's definitely a top TSX dividend stock worth owning.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:DOL (Dollarama Inc.)
4. TSX:ENB (Enbridge Inc.)

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